

**DECLARATION OF RANDY A. HLAVAC
PURSUANT TO ECOMMERCE EMPIRE BUILDERS**

I, Randy A. Hlavac, hereby declare as follows:

1. I have personal knowledge of the facts set forth in this Declaration, and the opinions expressed represent my professional opinion. If called to testify, I could testify competently to the facts and opinions discussed in this Declaration.

I. SUMMARY

2. Based on my expertise in marketing research and digital and social media marketing, counsel for the Federal Trade Commission (“FTC”) asked me to evaluate earnings claims and business strategies and tactics made in connection with the marketing and sale of business opportunities and training programs offered under the following brand names: Ecommerce Empire Builders, Empire Holdings Group, Ecommerce Empire Builders Business-in-a-Box, E-commerce Platinum Program and Ecommerce Empire Academy [which I term collectively EEB]. EEB’s earnings claims are deceptive and far from typical because (1) EEB’s dropship business model, strategies, and tactics could not produce the massive amount of income claimed by EEB, (2) EEB understates the actual costs required to run and maintain a dropship business, especially ongoing marketing costs, and (3) EEB underestimates the resource requirements needed to maintain their clients’ e-commerce stores such that any net profits could be sustained.
3. Throughout their sales pitches for both types of products, Ecommerce Empire Builders make numerous claims about the effectiveness of their business systems. Among them are:

- In a prospect sales call, a potential prospect asked “What type profit margins should I expect to get?” Their response “Front end we want to shoot for 30/40 percent profit.”¹
- When the prospect asked about a second claim about “back-end sales profitability, EBB responded “For the back-end subscriptions sales, we want to shoot for like 50 to 80 percent profit margin.”²
- EBB advertises on social media that EBB’s self-study program [EBB Academy] is consumers’ “fastest path” to “an EXTRA \$1000 a Month OR a 6-Figure Online Income.”
- They further claim that “basically, you’re getting a secondary income stream that’s 90% hands off, and with the turmoil in the markets these days we all need a more predictable source of cash flow.”

These are just a sampling of the claims made by Ecommerce Empire Builders to prospects for these programs. What they promise is high profits with minimal time and effort.

4. From my evaluation of the marketing, sales and business models used by EBB, I find 3

major areas where they mislead their prospects. They are:

- a. **Misleading revenue and profit claims** – In developing their revenue and profit claims, EBB fails to include the costs required to create a marketing campaign or to manage a dropship business. As I will show, their profit margin claims for both campaign and back-end sales are extremely misleading and are performance levels an EBB client will not achieve.

- b. **Inefficiencies & Lack of Management Control in the Dropship Business**

Model – In their business development strategy, Empire Builders recommends the client find products in their interest area on Amazon and other major seller sites and then find similar products on AliExpress. Because these Chinese-manufactured products are cheaper and can be ordered directly through AliExpress, they recommend building your business using them. However, what

¹ Sales Call 3 – page 16

² Sales Call 3 – page 16

is not discussed is the increase in shipping times – especially when compared to Amazon and other vendors. While there are some AliExpress products available from warehouses in the United States, their shipping times are much longer than similar products from Amazon and other online vendors. In addition, because these are “off-brand” products, they aren’t viewed as valuable as more established brands. As a result, EEB-developed stores have significant disadvantages when prospects compare them with faster vendor offerings and name-brand products like those available through Amazon. As I will show, delivery speed is critical in buying decisions today and the dropship model cannot compete when time to delivery is important.

- c. Underestimating the Time Requirements and Business Acumen Required to Maintain an EBB Business** – While in the development timeline, EEB creates the business and the marketing materials necessary to create the store and market the initial products. The client appears to just pay for the software needed to create the business and the store and to market the products. However, once the 4 – 6 month support is done, the client is 100% responsible for identifying and developing new products, maintaining and developing their subscription program[s], creating new prospecting efforts, finding and attracting new influencers to market their business, maintaining and developing the website and a host of other tasks. This is a labor-intensive process to continue to grow the business and is hardly a secondary revenue stream where 90% is hands off. Building, maintaining, and growing a business is hard and specialized work and is especially difficult if the EBB client doesn’t understand marketing or business.

II. QUALIFICATIONS

5. As set forth in my curriculum vitae, a copy of which is attached to this declaration as **Attachment A**, I have over thirty years of marketing experience both in the private sector helping clients improve their strategic marketing efforts and in academia. As a result of my decades of experience and research, I have developed expertise regarding marketing analytics, marketing technologies, and performance metrics in digital, social, and mobile systems.

A. Education

6. I graduated with a Master of Business Administration (MBA) in marketing and Management from the University of Nebraska in 1983.

B. Marketing Experience

7. From 1991 to the present, I have served as the President of Marketing Synergy, Inc., a consulting company I founded to help organizations improve their strategic marketing programs using advanced analytics. My clients have included large and small companies in the finance, insurance, and retail industries.
8. Most recently, I have worked with a wide spectrum of companies – from start-ups to Fortune 100 companies – to develop their digital marketing strategies. A company's marketing strategy involves identifying a wide range of consumer touchpoints from which to sell their products and services, including a mix of online stores (e.g., Amazon), retail stores, and social marketing outlets. I help my clients create a strong online presence, develop their online stores, and manage their social media marketing plans. I

work with my clients to develop their sales and marketing programs, establish their branding, and ultimately grow their market share.

9. From 1988 to 1991, I was the Manager of a consulting group called MetroMail (now Experian), which provided marketing analytics services. In that capacity, I built a team of analysts that worked with predictive models, marketing databases, and other marketing research tools.
10. I am an active member of several professional organizations including the American Marketing Association (“AMA”), the Chicago Interactive Marketing Association (“CIMA”), and the Data and Marketing Association (“DMA”)

C. Academia

11. From 1995 to the present, I have served as lecturer in the Medill Integrated Marketing Communications Program at Northwestern University, where I teach both undergraduate and graduate courses on digital, social, and mobile marketing. In my advanced courses, I focus on topics including developing digital marketing programs using established marketing strategies including Momentum Marketing, Google’s Hero, Hub and Help Marketing and Loyalty Loop Marketing strategies. All of my digital marketing programs incorporate the use of AI systems to drive strategic and marketing insights, create multimedia articles, videos, and podcasts, and result in the students building holistic, multimedia marketing programs, budgets, and marketing metrics. In my capacity as a faculty member, I support the Entrepreneurial Development Program at Northwestern, which is a program that trains undergraduate and graduate students to become better entrepreneurs by teaching them how to develop digital marketing programs and marketing strategies.

12. In 2014, I developed an internet-based social media marketing course, designed to teach students about designing, managing, and optimizing social marketing campaigns. In the first ten months of the program's availability, over 23,000 students from 140 countries participated in the course. Northwestern University awarded those students Certificates of Specialization in Social Media Marketing.
13. In my capacity as part of the faculty at Northwestern University, I work with IBM on a number of marketing-related programs, including the OmniChannel Initiative, Watson and Smarter Planet conferences, and testing of prototype technologies. As the Director of the OmniChannel Initiative, I work to integrate IBM's Watson technology, analytics, and business information into Northwestern University's marketing programs. I have also served as a featured speaker at IBM conferences held around the world and provided IBM with feedback on new marketing software.
14. In my capacity as a faculty member at Northwestern University, I also teach a Market Analytics course with the Northwestern University's McCormick Masters in Engineering Management [MEM] program. The curriculum is intended to instruct future entrepreneurs how to create marketing plans, launch online (e.g., Amazon stores) and retail stores, develop marketing strategies, and establish their brands.
15. While at Metromail, the Chicago Association of Direct Marketing asked me to revise the Direct Marketing Basic Course, which is one of the most respected educational programs related to direct and integrated marketing. The core of the course that I revised in the 1980s is still in use today, with improvements made to account for technological changes.
16. I am the author of the book, "Social IMC – Social Strategies with Bottom-line ROI," which is a hands-on exploration of the social marketing strategies used to build

relationships with target markets. Since the publication of my book in 2014, several universities have used the book for their social marketing programs; similarly, many business owners have found the book useful for understanding how to develop profitable social marketing programs.

17. I am also the author of numerous academic and trade articles on social marketing trends, social media, digital marketing, content curation, and other topics.

III. DESCRIPTION OF MATERIAL REVIEWED AND RESEARCH CONDUCTED

A. Ecommerce Empire Builders Academy Program, Sales Videos and Social Media Advertisements

18. At the request of counsel for the FTC, I evaluated the Ecommerce Empire Builders Academy program to determine the business and marketing methodologies they recommended to their clients. In addition, I explored the software and support services they trained their students on using to build and grow their dropship businesses. I also looked at their sales and social media advertising to determine the claims made to prospective students.

B. Videos and Website screenshots developed by Ecommerce Empire Builders to Sell their “Business in a Box” type products

19. I reviewed videos and screenshots allowing me to compare and contrast Empire Builder’s “total business” packages with the Ecommerce Empire Builders Academy. In this review, I also listened to sales calls from EEB as well as reviewed contracts showing their “total business” services, costs and timelines.

C. Customer Complaints

20. Finally, I reviewed a sample of customer complaints to identify the nature of the complaints and the monetary impact the complainant said occurred because of their work with these companies. In doing this review, I identified several common complaints that tied directly to the subjects covered in this declaration.

IV. OPINION AND REASONING

21. Based on my evaluation, it is virtually impossible for a typical purchaser to earn a monthly income of \$10,000 to \$100,000 using the strategies and tactics developed in either of the EEB business systems. In addition, maintaining programs with profit margins of 30% - 40% on their base business is highly unlikely. Given the fixed and variable costs of the program, it would be highly unlikely for a typical purchaser to generate enough sales to cover the initial development costs, let alone earn a positive return on investment. Whether the client is using the consulting service plan of EEB or developing their own businesses using their online training system, the time, costs and revenues generated by these marketing programs will not cover the claims made by EEB. These findings are based on the following assessments:

EBB Business Model

22. To best understand my findings about EEB's misleading revenue and profit claims, it is important to understand the business model both Ecommerce Empire Builders Platinum Program and the Ecommerce Empire Builder Academy develop for their new clients.



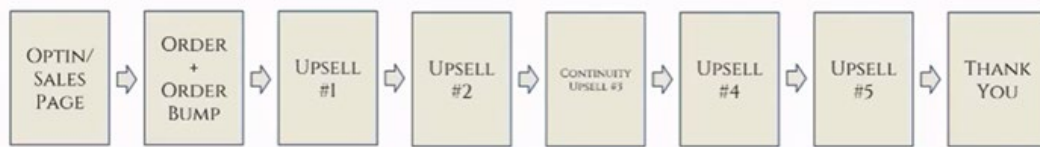
23. For both their online self-learning program and their consulting-based startup business model, their general approach is very direct and easy to understand. As they explain it, the customer goes to a website where they are offered a product they want to purchase. They purchase the product and pay retail pricing. EBB's software captures the order and sends the order to a supplier. This supplier can be in China or in the US. When the order is placed with the supplier, the business owner pays them the wholesale rate. The supplier then ships the product directly to the customer and the business owner keeps the profits.
24. In the consulting-based version, EBB contracts with the new business owner to offer a "turnkey" system for the first 4-6 months. EBB identifies the categories of products the client wants to sell, they identify products appropriate to the category, they build all the marketing and program management systems required to run the business, develop all

sales and marketing content, as well as the customer service communications. For the DIY program, EBB offers a series of videos which accomplishes the same objectives.

Ecommerce Transformed & Roadmap

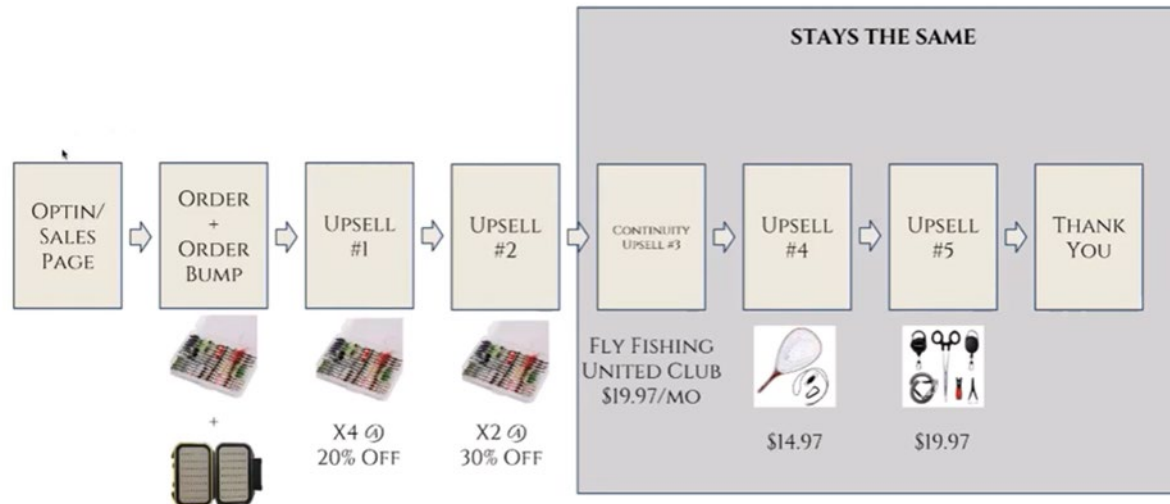
THE ROADMAP TO 7-FIGURES

FUNNEL STRUCTURE:



25. To generate business, EBB uses PPC advertising, influencer marketing recommendations, email marketing, and other acquisition programs to drive prospects to the client's website. Once there, the prospect visitor is shown an opt-in/sales page. This page allows the visitor to provide their email address to allow ongoing contact for future promotions and to identify returning customers to the site. In addition, the opt-in page contains pictures and short sales copy on all the sales, upsell, and continuity programs the client is offering.
26. The prospect is likely attracted to the main product being offered. On the order form, they are given the chance to "bump" their order. If you are purchasing 1 fishing lure, why not buy more at a discounted price? The prospect is then shown a series of upsell offers. These are related products to the primary product being offered. For example, if

you are buying a fishing lure, maybe you would also want a tackle box, additional different types of lures or similar products. These enhance the revenue being generated by the visitor.



27. In the middle of the funnel is the continuity offer. This is an offer to join a club or exclusive group to receive information and new offers every month. In this example, the prospect is given a chance to join the Fly Fishing United Club for \$19.97 per month. They are called continuity offers because they auto renew every month and, therefore, represent nearly guaranteed monthly income for the EBB client.
28. At the end of the funnel are slightly different types of upsell offers. According to EBB, these last offers can be digital content purchased or developed by the client. From our example, they might be eBooks with fishing tips or instructional eBooks on how to get started if you are new to fishing. EBB instructs their new clients on where to find and purchase eBooks, how-to videos and other content to drive these last offers.
29. To generate business, EBB recommends creating a number of different funnels featuring different initial products to purchase. As they show in the fishing lure graphic, the end of the funnel can stay the same but the start will be different. By having a number of

different funnels, the EBB client can develop different marketing campaigns to grow their business.

30. To develop and manage the drop shipping model and the sales funnels to sell products and services, EBB uses a variety of “for fee” software in both their consulting and DIY programs. At the core of the business is their StoreFunnels.net software. This is where they create and register the new client’s website and where they create and manage all of the client’s sales funnels. StoreFunnels.net is priced at \$54 - \$89 - \$349 per month and the fee grows as your business grows. In addition, EBB uses Backpack software to manage and pay influencers who are “marketing” the client’s products. It costs \$297 per month. They also use Dropton which takes orders from StoreFunnels.net and transmits the order to the supplier. It then pays the wholesale costs, sends the supplier the address information and lets StoreFunnels.net know the order has been completed. It is \$33 per month. EBB also recommends that their clients use AliExpress and AliExpress US to obtain products. For digital products, they recommend using PLRStore.com and several other resources to get digital content.
31. These software systems are important for two reasons. First, they represent fixed costs the EBB client must pay every month to operate their business. Whether these monthly costs are incurred at the start of the DIY program or after the completion of the consulting phase, they are costs which directly impact profitability. In addition, these software systems are a barrier to leaving EBB. Whether the business entrepreneur wants to sell their business or simply wants to grow it, they must either work within the EBB

software or, if they want to leave, incur the costs in time and effort to move to similar software systems.

A. Misleading revenue and profit claims.

32. In their sales materials, EBB claims profit margins of 30% - 40% for their marketing efforts and 50% - 80% for their subscription services. To measure the accuracy of those claims, I used the actual performance metrics EEB used to show the effectiveness of their dropship model and used it to build P&L statements. A P&L statement tracks the flow of revenue for a time-period [for EBB, their results are for a monthly campaign] and systematically removes the cost of doing business. At the bottom of the P&L is the profit remaining after all costs have been deducted. The structure of a P&L is:

Total Number of Site Visitors
Total Sold this Month
Gross Sales
Less Returns
Net Sales
Cost of Goods Sold [COGS]
Cost of Goods Sold
Gross Margin
Less Bad Debt
Less Direct Expense
Contribution to Fixed Expense, Promotion & Profit
Fixed Costs
Contribution to Promotion & Profit
Less Promotion Costs
Profit before Taxes

A P&L for an online service frequently starts with the total number of visitors to a company's sales pages. To attract visitors, online businesses must use Pay-per-Click

advertisements, influencers, email marketing, and other acquisition media each month.

Because each of these acquisition programs incurs a cost, it must be captured in the P&L statement.

Next, the P&L captures gross and net sales for the time period. Gross sales are the number and total revenue generated during the time period being measured. Net sales are the number and total revenue after returns are deducted. For the EBB analyses, I assumed there were no returns. This is a conservative approach as online companies typically have returns in each month of operation. For an online consumer company, The average return rate for online consumer businesses is between 20–30%³.

From the net sales figures, we next remove the Cost of Goods Sold [COGS]. This is the cost of purchasing a product directly from AliExpress and any shipping or other expenses incurred in the campaign. For these calculations, I assumed shipping was free and the only COGS expenses was the unit cost of the product. This is also a conservative approach. This calculation produced the Gross Margin for the month.

From the Gross Margin, I subtracted Bad Debt and Direct Expenses. Direct Expenses are incurred when you offer free bonus gifts or other incentives to make your offer more attractive. Both Bad Debt and Direct Expenses are zero for my analyses.

After removing these two debts, you are left with Contribution to Fixed Costs, Promotion and Profit. I then removed all fixed costs. These are monthly costs incurred by the client for monthly software and other fixed expenses. In a traditional P&L, it would include employee-related costs, building rental and similar costs. For these analyses, I only used the monthly costs for the software systems recommended by EBB to run their marketing

³ <https://www.richpanel.com/blog/ecommerce-return-rates>

and influencer marketing programs. There were other software systems recommended by EBB but the 3 I used capture most of the monthly charges for the EBB system.

After removing fixed costs, the last cost component was Promotional Costs. In their sales examples, EBB used Facebook and its Pay-per-Click [PPC] program as one way to attract prospects to your site. In their examples, they used \$5 per click as a representative figure to acquire a customer.

<https://ecommerceempirebuilders.com/video-fb-ads1>

A 9

\$9.97 (REVENUE)
\$3.00 (PRODUCT COST)
\$2.00 (SHIPPING COST)
= \$4.97 (PROFIT)

WHAT ABOUT ACQUIRING THE CUSTOMER?
\$5.00 (PAID ADS)

\$4.97 - \$5.00 = -0.03c!
WE LOST MONEY!

I used the same PPC figure in my calculations and then I did the same P&L calculations using a 2024 benchmark for Google or Facebook PPC ads. This gives a lower rate than provided by EEB but, as I will show, still doesn't produce the profits promised by EBB.

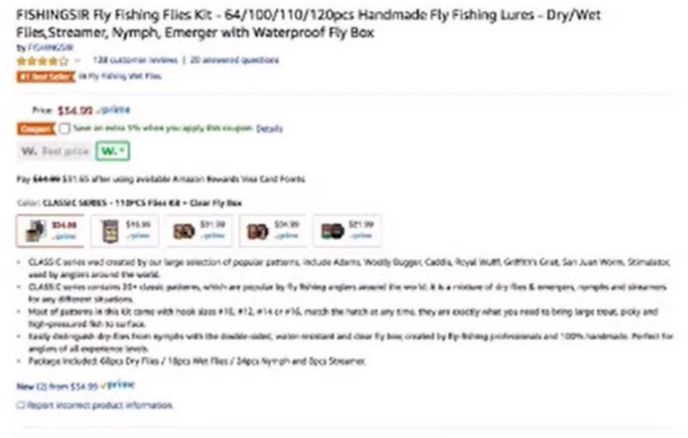
Fishing Lure Training Example

33. To best understand the weaknesses in the business strategies used by EBB, it is important to focus on 3 components of their training for new clients. They are: 1] how does EBB recommend a new client find products to offer to their target market, 2] how does EBB

recommend their client establish their retail pricing, and 3] what other factors influence the purchase decision. Each of these components of the EBB business strategy impact the profitability of the earnings claims.

34. EBB begins by directing their client to identify a category of products they want to offer.

In addition to other strategies, they recommend they find an attractive and “in demand” product on Amazon.⁴ In their sales video, they used this product:



It is a set of fly-fishing flies in a waterproof box. It sells on Amazon for \$34.00. In their training, they recommend their clients start by determining the market niche they want to develop. Next they recommend the client use Amazon to find products that are selling well and examine the related products that are also being sold with the selected product. EBB’s training is comprehensive in how to evaluate a product’s Amazon performance.

35. Next, they tell the client to find a similar product from a supplier on AliExpress. EBB wants to find a product with similar characteristics and features to the Amazon product. No mention is made about the fact that there are brand differences [AliExpress products are likely to be “off brands”] or that the shipping times vary significantly from their

⁴ Module 2 - 3 EEB Academy Picking Your IPO 5_23_24

Amazon 'competitor'. I will discuss these differences in sections 2 and 3 of this declaration.

36. In the example shown in the video, a similar set of fishing flies retails for \$15.19 from AliExpress and contains a box of flies that look similar to the Amazon product retailing at \$34.99. In discussing the wholesale to retail mark-up, EBB recommends the new client use a retail price 3 times the wholesale price when they purchase from Amazon. In building the P&L statement, I will use the same methodology as EEB to find products on AliExpress and to create a retail price using their mark-up strategies.
37. It is a similar product at a wholesale price point that, at retail, makes it a similar value to the Amazon offering. With the 3X mark-up, the EBB client can purchase the fly box for \$15.19 and sell it at retail for \$26.97. In the EBB training video discussing the fishing lures, EBB points out that because the value of this product at \$26.97 is below the similar Amazon product price of \$34.00, the new client could consider raising the retail price of their product higher to match the Amazon product. It appears to be assumed they are equal products in terms of quality and perceived value. While the fishing lure example demonstrated the methodology EBB uses to find potential products and establish their retail value, the example does not provide sufficient information to create a complete P&L statement. To do that, I needed to find an EBB example which had performance information on specific campaigns. This would allow me to determine key response and purchase information from which to build an accurate P&L.

Jewelry Example

38. In the same EBB training video, they showed an example of 3 consecutive months marketing jewelry and related products.⁵ Shown below, you will note that each month had the same sales funnel elements, each month had successively better earnings per client and total revenue numbers and the last month had the best performance for their Crystal Club subscription offering. I call it the Jewelry example because it offered keychains, pendants and the Crystal Club.

EARNINGS PER CLICK		GROSS SALES		AVERAGE CART VALUE	
\$0.88		\$1,269.51		\$20.48	

EARNINGS PER CLICK		GROSS SALES		AVERAGE CART VALUE	
\$0.94		\$3,790.68		\$20.83	

EARNINGS PER CLICK		GROSS SALES		AVERAGE CART VALUE	
\$1.15		\$10,658.57		\$21.19	

Page Views		Sales Funnel		Revenue		Profit		ROI	
All	Unique	All	Net	Count	Rate	Value	Value	Count	Value
> Squeeze Page	1,440	1,534							
> OT01 - Key Chain	72	60							
> OT02 - x2 Pendants	67	55							
> OT03 - Crystal Club	86	53							
> Thank You	113	62							

Page Views		Sales Funnel		Revenue		Profit		ROI	
All	Unique	All	Net	Count	Rate	Value	Value	Count	Value
> Squeeze Page	9,271	3,995	2,889	38.04%	502	6.62%	\$8,991.21	0	\$0.00
> OT01 - Key Chain	561	450	55	12.22%	53	11.78%	\$793.41	0	\$0.00
> OT02 - x2 Pendants	540	418	15	3.59%	14	3.35%	\$349.58	0	\$0.00
> OT03 - Crystal Club	619	410	21	5.12%	21	5.12%	\$524.37	3	\$0.03
> Thank You	775	476	-	-	-	-	-	-	-

39. Focusing on the third and most successful month, EBB noted over \$10,000 in gross sales. This is sales before any costs are removed. In their training video, they only focused on total gross revenues and do not discuss final profits and ROI [Return on Investment]

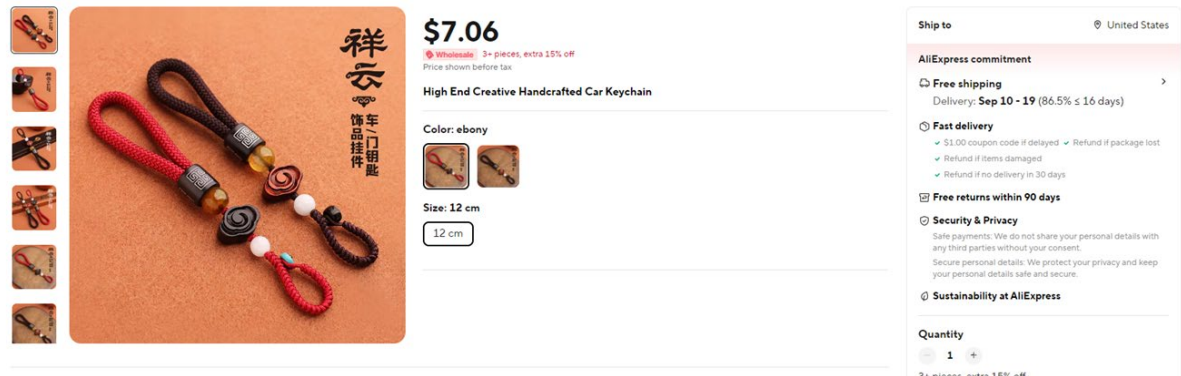
⁵ EEB _ Call Booking_4_11_24

EARNINGS PER CLICK		GROSS SALES		AVERAGE CART VALUE	
\$1.15		\$10,658.57		\$21.19	

	Page Views		Opt-ins		Sales			Recurring		Earnings / Pageview	
	All	Unique	All	Rate	Count	Rate	Value	Count	Value	All	Unique
> 📄 Squeeze Page	9,271	7,595	2,889	38.04%	503	6.62%	\$8,991.21	0	\$0.00	\$0.97	\$1.18
> ➦ OTO1 - Key Chain	561	450	55	12.22%	53	11.78%	\$793.41	0	\$0.00	\$1.41	\$1.76
> ➦ OTO2 - x2 Pendants	540	418	15	3.59%	14	3.35%	\$349.58	0	\$0.00	\$0.65	\$0.84
> ➦ OTO3 - Crystal Club	619	410	21	5.12%	21	5.12%	\$524.37	3	\$0.03	\$0.85	\$1.28
📄 Thank You	775	476	-	-	-	-	-	-	-	-	-

Performance	Number	Metrics	Total Revenue	Revenue Metrics	Total Revenue	Revenue Metrics
Page Views	9,271			\$1.15		\$1.15
Opt-ins	2,889	31.2%				
Sales	591	6.4%	\$10,658	\$18.03		\$18.03
Cart Value				\$21.19		\$21.19

40. From an analysis of month 3 of their campaign, the campaign generated 9,271 total page views. Of those visiting the site, 31% chose to opt-in by providing their emails and 6.4% chose to purchase one or more products. It is important to point out that the client had to pay their PPC costs for the 69% who didn't opt-in or purchase a product. The product purchasers produced \$10,658 in total revenue for an average purchase price of \$21.19. The difference in the sales revenue of \$18.03 per unit versus \$21.19 is due to some individual purchasing more than one product. For the analysis, I used the higher \$21.19 price to ensure I was presenting a best-case scenario.

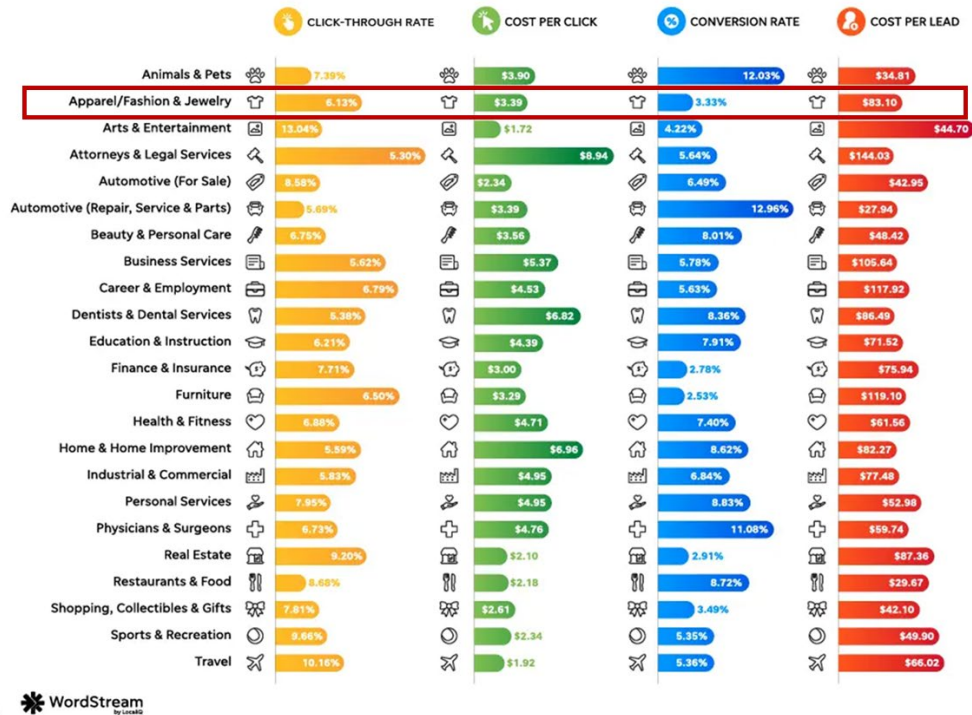


41. The first product in their sales funnel was a Key Chain. I found one on AliExpress that sells for \$7.06 with free shipping to the US. It is low priced enough to multiply by 3 and have a retail amount less than \$21.19. The analysis of the Jewelry sales funnel produced the following P&L:
42. Representing month 3 of this campaign, there are 9,271 site visitors which produced 2,889 Opt-ins. These opt-ins then produced 591 sales with an average cart value of \$21.19. This sales activity produces a gross revenue of \$12,523 and, because I assumed no returns, the net sales number is the same.
43. To represent the products, I selected a High End Creative Handcrafted Car Keychain from AliExpress valued at \$7.06. For 591 sales, this produced a Cost of Good Sold of \$4,127. Subtracting the wholesale costs from net sales, produced a gross margin of \$8,351.
44. In this simulation, I assumed no bad debt or direct expenses for the campaign. An example of direct expenses would be if the client gave away free items with each purchase. As a result, the Contribution to Fixed Expense, Promotion and Profit is the same as the Gross Margin.
45. For fixed costs, I added the monthly expenses for Store Funnels – the website and store funnels system required by EBB, Dropton Fulfillment Services which manages the sales

on AliExpress and Backpack ClickFunnels which manages influencers. In a traditional P&L, I would have line items to repay the consulting fees from EBB or the cost of their training program. In addition, I would have added some costs for the owner and other personnel. For this example P&L, I omitted these traditional fees. Subtracting these 3 monthly expenses from the Contribution results in a Contribution to Promotion and Profit of \$7,967.

46. In this example, we attracted 2,889 page visitors who opt-in to our email list. From the sales example used by EBB, you can expect to pay \$5 for each of these visitors. This is a conservative figure. The actual click through rate is all of a part of the 9,271 views. However, because I can't accurately discount them, I will assume the client just paid \$5 for the opt-ins. Even with this conservative estimate of PPC click throughs, the client would pay \$14,445 to get people to their site. This results in a Profit before Taxes loss of -\$6,478 or a loss of -52%. Nothing close to the 30% to 50% profit margins claimed by EEB. In addition, remember these calculations don't include repayment of the \$10,000 to \$35,000 of the initial "Business in a Box" consulting contract nor does it include any salary for the entrepreneur.

Search Advertising Benchmarks 2024



47. From the last analysis, most of the costs lay in the \$5 per click number used by EEB. To produce a more accurate P&L, I used the methodology I use at Northwestern to better estimate PPC costs. Each year, a company called Wordstream publishes detailed information on PPC performance by industry. From their 2024 benchmarks for search advertising [including Google and Facebook], they found the cost per click for Apparel, Fashion and Jewelry to be \$3.39 versus the \$5 used by EEB.

48. If I reduce the cost per click from \$5 to \$3.39, it reduces the loss from -52% to a loss of -15%.

Key Business Metrics	Activities	Monthly Performance	Assumptions
Total Page Views		9,271	
Opt-ins		2,889	
Total Sold this Month		591	Total Sales in EBB Example for Month 3
Gross Sales		\$12,523	Cart value of \$21.19
Less Returns			Assumes no returns
Net Sales		\$12,523	
Less Cost of Goods Sold [COGS]			
	Product Purchase from AliExpress	\$4,172	\$7.06 allows for a 3x Markup as EBB recommends
Less Cost of Goods Sold		\$4,172	EBB recommended purchase price
Gross Margin		\$8,351	
Less Bad Debt		\$0	No bad debt
Less Direct Expense		\$0	No direct expenses [freebies]
Contribution to Fixed Expense, Promotion & Profit		\$8,351	
Fixed Costs			
	StoreFunnels	\$54	Minimum Investment
	Dropton Fulfillment Services	\$33	Monthly
	BackPack ClickFunnels Add-on to manage influencers	\$297	Monthly
Contribution to Promotion & Profit		\$7,967	
Less Promotion Costs	PPC Advertising	\$9,794	Jewelry 2024 PPC Rate \$3.39 for Opt-ins
Profit before Taxes		-\$1,827	Loss of -15%

49. In this and several other performance examples, EEB focuses solely on gross revenues and aggregated sales figures. However, when we deduct the cost of goods, relevant fixed costs and the cost to acquire customers, the results radically change. In reviewing EEB's claims, they stated:

- In a prospect sales call, a potential prospect asked "What type of profit margins should I expect to get?" Their response: "Front end we want to shoot for 30/40 percent profit."⁶
- When the prospect asked about a second claim about "back-end sales profitability, EEB responded "For the back-end subscriptions sales, we want to shoot for like 50 to 80 percent profit margin."⁷
- EEB advertises on social media that EEB's self-study program [EBB Academy] is consumers' "fastest path" to "an EXTRA \$1000 a Month OR a 6-Figure Online Income."

⁶ Sales Call 3 – page 16

⁷ Sales Call 3 – page 16

50. What this analysis shows is that the Cost of Goods Sold, Fixed Costs and, most importantly, the Acquisition Costs are critical when evaluating a business or a marketing campaign. While revenue is important, the cost of gaining those revenues impact whether you are going to show profits or losses. EBB claims revenues of \$10,000 or more per month and, if you only view revenues, that is a valid claim; however, profits of 30% - 50% would not be attainable given these economics. The cost to acquire a new customer greatly exceeds your ability to generate a profitable business using the EBB business model.
51. What about the 50% to 70% profit margin on the subscription offers? There's no magic number, but most subscription boxes aim for a profit margin between 30% and 50%. This range allows you to cover your costs, reinvest in your business, and hopefully turn a healthy profit. Factors like your niche, product cost, and subscription tiers will all influence your ideal margin.⁸ While EEB sites a much higher profit margin, most experts say 40% to 60% is the high end of the subscription profit range.⁹

B. Inefficiencies & Lack of Management Control in the Dropship Business Model

52. Competitive disadvantage is defined as “An unfavorable circumstance or condition that causes a firm to underperform in an industry. Disadvantages typically include things such as know-how, scale, scope, location, distribution, quality, product features, process efficiency, productivity and costs.”¹⁰ In my professional experience, the EBB dropship model creates two types of competitive disadvantage for the EBB client when compared to Amazon and other sales sites.

⁸ <https://www.darwin.cx/blog/what-is-the-ideal-profit-margin-on-a-subscription-box>

⁹ <https://www.chargebee.com/resources/guides/subscription-box-business-models/>

¹⁰ <https://simplicable.com/new/competitive-disadvantage-definition>

Competitive Disadvantage 1 – The AliExpress shipping timelines are far greater than those from Amazon and similar vendors

53. In the EBB dropship model, the strategy is to attract prospects to a sales funnel, capture their emails and show them a series of offers, and then purchase and fulfill the orders on AliExpress or other similar sites. To find products to sell, EBB shows their clients a series of steps to first determine what category of products interests them and then find products selling on Amazon that would appeal to their target markets. Once the client finds acceptable products, they are then instructed to go to AliExpress to find comparable products. Because AliExpress offers them at a manufacturer's wholesale price, the EBB strategy is to create an offer with a 3-times markup above the wholesale price to offer it to the client's visitors. When they place an order, the EBB system collects the revenue for the retail purchase, purchases the products from AliExpress at wholesale prices and the client keeps the "profits".

54. While this is a viable system, the problem is the term "comparable". While the AliExpress products can look similar, they often don't have the ease of purchase and quick delivery times of Amazon and other vendors. AliExpress does have some products already in the US but most of the suppliers are shipping an individual's order from China. The result is delivery times that don't take days but weeks to fulfill. When EBB discusses finding products on Amazon, they don't show the delivery times. But they are critical to a consumer's order decisions.

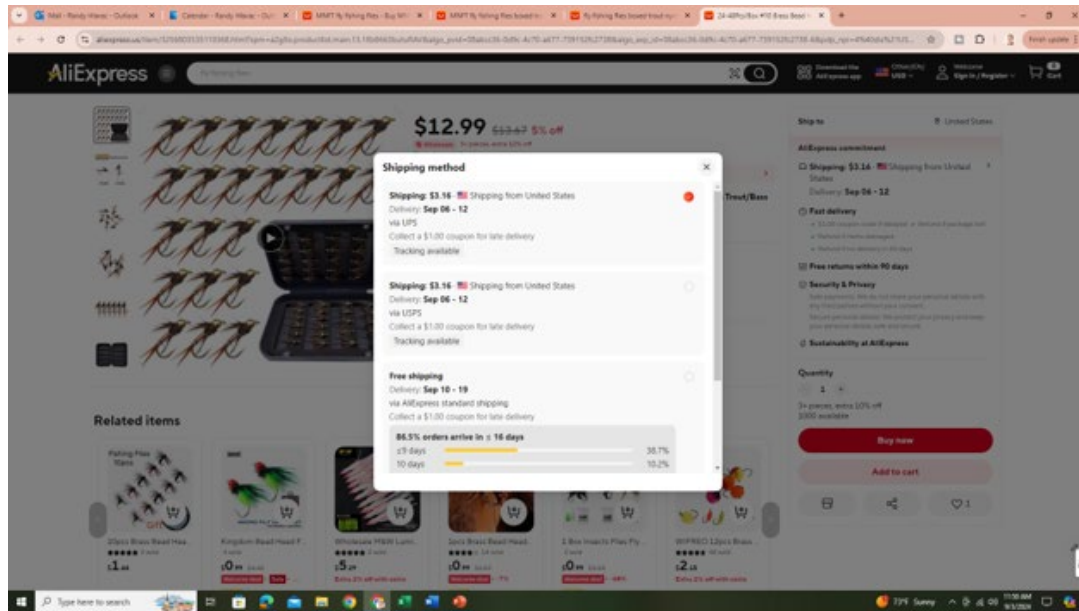


This is a product I found on Amazon. On its order page, you can purchase the product and it will be shipped in 4 to 5 days. The order form has an order now and a discounted offer if you purchase 2 or more. The same type of sales funnel advocated by EBB.

The screenshot shows the AliExpress product page for a fly fishing box. The product is titled "40Pcs/126Pcs Outdoor Waterproof Fly Box with Dry/Wet Nymph Streamer Trout Fly Fishing Flies Lure". The price is \$15.19, with a 5% discount from the original price of \$15.99. The page includes a shipping method section showing "Free shipping" with a delivery date of July 17 - 26. A chart indicates that 85.3% of orders arrive within 16 days. The quantity selector shows 1 item, with a note that 2+ pieces qualify for an extra 5% off.

Delivery date	Percentage of orders
≤ 9 days	30.6%
10 days	10.3%
11 days	9.5%
12 days	9.2%
13 days	8.1%
14 days	6.7%
15 days	5.6%
16 days	5.0%
> 16 days	14.6%

This is a comparable product from AliExpress. Notice the shipping time is less than 16 days. However, 14% of the orders they receive will take more than 16 days. The problem is the EBB system will take their orders off the StoreFunnels.net system, may not cite the order timeline, and - as shown here - the time to delivery is variable. For the consumer, they really don't know when their order will be fulfilled.



56. To assess the impact of ordering an AliExpress product already shipped into the US, I found these fishing flies. You will notice that even though the product is located in the US, you still have long shipping times. In their copy, they state 86% will arrive within 16 days. A considerable difference compared to 2 – 3 days for a comparable product from an Amazon store.

57. This is a critical consideration for consumers. According to Statista, as of April 2023, 41% of online shoppers wanted their orders within 24 hours, and 24% expected delivery within two hours. This is a significant increase from June 2022, when only 8% of shoppers wanted same-day delivery. However, some say that consumers may not be as quick to expect fast delivery as retailers think. For example, a July 2021 Jungle Scout report found that 41% of consumers expected delivery within two to three days, while 27% wanted same- or next-day delivery. The result is that consumers, when given a choice between an Amazon product and one from AliExpress may choose the faster option. In the jewelry example used earlier, nearly 60% of all visitors failed to complete a purchase. They may have found a similar product with a faster delivery time.

Consumer expectation is delivery times in days not weeks. This is especially true when the purchase price and product features are similar.¹¹

Competitive Disadvantage 2 – Off-Brand Products

58. While there are cost advantages to selecting an off-brand product from AliExpress, it places your company at a competitive disadvantage when the prospect compares your products to your Amazon competitors. Often, off brand products are viewed as lower quality and, while cheaper, less value compared to brand names. In addition, brand names have more loyal customer bases and more repeat business. Consumers trust brand names.

59. For the EBB start-up, their company has neither brand recognition for the company nor brand recognition for the products they offer. To succeed, they must overcome both to best connect with their target market. If the Amazon offer is for a “name brand” product and the client’s EBB offer is for an unknown brand, the consumer may opt to purchase a product with the same price, known and faster delivery times and a name brand product.

Competitive Disadvantage 3 – Lack of Control over Shipping Delivery Times

60. Finally, the EBB client has little or no control over the actual shipping times on the orders they place with AliExpress. Many of the delivery times shown in this analysis have wide ranges from a few days to nearly a month. When a customer places an order with the EBB client, they have delivery expectations. While the EBB client can tell them possible delivery times, if the supplier has problems or runs beyond the promised delivery time, the customer will likely complain. The problem is that even with the complaint, the EBB client’s company can do little to address the problem. The focus of

¹¹ <https://www.flexe.com/articles/same-day-delivery-3-reasons-why-speed-matters>

control is with the shipper and, if they are falling behind, the EBB client cannot expedite or address the problem. In the EBB business model, you place the order with the shipper and they ship it. A process that will take time and is out of the control of the EBB client.

C. Underestimating the Time Requirements and Business Acumen Required to Maintain an EBB Business

61. In both their “Business in a Box” programs, EBB creates 4 – 6-month development teams to create a business for their clients. In this development arrangement, they purport to provide all of the creative, marketing, and management expertise to get the business up and running. In addition, they have their client use software applications – some owned by EBB – to run their entire business operation.

62. For example, their E-commerce Platinum program, EBB provides the following services during the development contract period:

E-commerce Platinum Program”

1. E-commerce Subscription Sales Funnel Build

- Niche Selection & Validation
- Offer Selection & Creation
 - i. Frontend Offer
 - ii. Order Bump
 - iii. Upsell Products
 - iv. Subscription Upsell Product
 - v. Thank You Page
 - vi. 2 Bonus Information Products
- Subscription Sales Funnel Build
 - i. Landing Page
 - ii. Order Form
 - iii. Order Bump
 - iv. Upsell #1
 - v. Upsell #2
 - vi. Upsell #3 - Subscription Product
 - vii. Thank You Page
- Abandoned Cart Email Automation - 3 Emails
- Post Purchase Email Automation - 1 Email

- Sales Funnel Copywriting
 - i. Landing Page
 - ii. Order Form
 - iii. Order Bump
 - iv. Upsell #1
 - v. Upsell #2
 - vi. Upsell #3 - Subscription Product
 - vii. Thank You Page
 - Advertising
 - i. At least 1 piece of advertising copy
 - ii. At least 3 pieces of advertising creatives
 - iii. \$250 in advertising spend to test funnel
 - Phone Call Support
 - i. Two strategy calls during funnel build process.
2. Team Support Access For _____
- Access To Inner Circle Recordings Library
 - Access To Inner Circle Advanced Trainings Library
 - Three Inner Circle Zoom Calls Per Week
 - On Demand Support Within BaseCamp Dashboard

63. In their Ecommerce Empire Academy program, clients develop the same capabilities but must do it themselves. While the videos balance business and marketing knowledge with detailed instructions on how to purchase and use various software systems, making the program operational is difficult. For each module, the developer is required to combine creative thinking with analytics. Clients of the Academy program, must not only create the systems for selling and upselling their products, they must also create creative copy designed to sell it. They must also learn how to run creative and message tests, track their programs and their tests, and ensure that their customers are being delivered products and services.

Ecommerce Empire Academy Overview + Awards!

COURSE STRUCTURE

MODULE 1: THE MINDSET SHIFT

MODULE 2: MARKETS & OFFERS

MODULE 3: FUNNELS & CONTINUITY

MODULE 4: EMAIL MARKETING

MODULE 5: INFLUENCERS & ORGANIC MARKETING

MODULE 6: FACEBOOK MARKETING

MODULE 7: SCALING & SALES CHANNELS



64.

65. As an instructor of digital marketing at Northwestern University, I have teams of graduate digital marketing students work with startups and small businesses to create holistic, integrated digital marketing programs. I use teams of students because success is predicated on teams with diverse skills. Some are analytic, some are creative, and some are more management focused. For clients in the E-commerce Academy, you need to have all of those skills to succeed.

66. In both programs, a client may have some success while EBB staff is assisting them. However, once the support period is done, they are “on their own”. They not only need to do all of the items listed in the deliverables listed earlier but also must generate enough business to pay for the software used to create their business.

67. For example, one of the major ways EBB recommends business owners attract prospects to their site is with Influencer Marketing. This means contacting influencers with thousands of followers matching your ideal prospect. EBB recommends you search Instagram and other sites and identify potential influencers. Once identified, EBB

provides several tools where you can learn about the size of their follower base and explore their posts. Then, when you have identified several potential influencers, EBB recommends you contact them, see if they are interested in marketing your product and then make a financial arrangement with them to do a set series of messages. For each influencer that says “yes” to the deal, you then set up StoreFront with the offers and tracking systems and BackPack which pays the influencer for each click-through or sale they deliver to the client’s business.

68. While the process EBB recommends is correct, actually doing it takes hours and hours of work. In addition, many of the influencers will turn the offer down [if they respond at all] because the request is coming from an unknown company selling [likely] off-brand items.

69. This process, like all of the others defined in their 7 modules is a full-time business and, once growing, will require additional staff and support to maintain and develop.

According to Shopify “To run a successful drop shipping business, you should invest two to eight hours a week. However, to generate stable monthly revenue, expect to spend dozens of hours per week. The more time you invest, the higher your odds of earning substantial revenue.”¹² It is definitely not a “turnkey” system.

V. CONCLUSION

70. In sum, it is my opinion that it is impossible for a typical purchaser to earn the level of income promised by EBB. Using the E-commerce Business in a Box, Platinum or Ecommerce Empire Academy programs requires upfront investments, sizable fixed and variable costs and ongoing costs which significantly impact revenues and profits. In

¹² <https://www.shopify.com/blog/is-dropshipping-worth-it>

addition, the EBB sales process misrepresents potential revenues and omits key fixed costs required to run the business. Dropship businesses can work but building them on a business model with long shipping timelines and off-brand products makes it difficult to succeed in an Amazon-powered, ship it overnight marketplace. Since a typical purchaser of the EBB system is not likely to earn \$10,000 per month or more, it is my opinion that the earnings claims in the EBB advertisements are false and deceptive.

I declare under penalty of perjury that the foregoing is true and correct. Executed on September 6, 2024 in Chicago, IL.



Randy Hlavac

Ecommerce Empire Builders Academy Findings

Appendix A



Appendix B

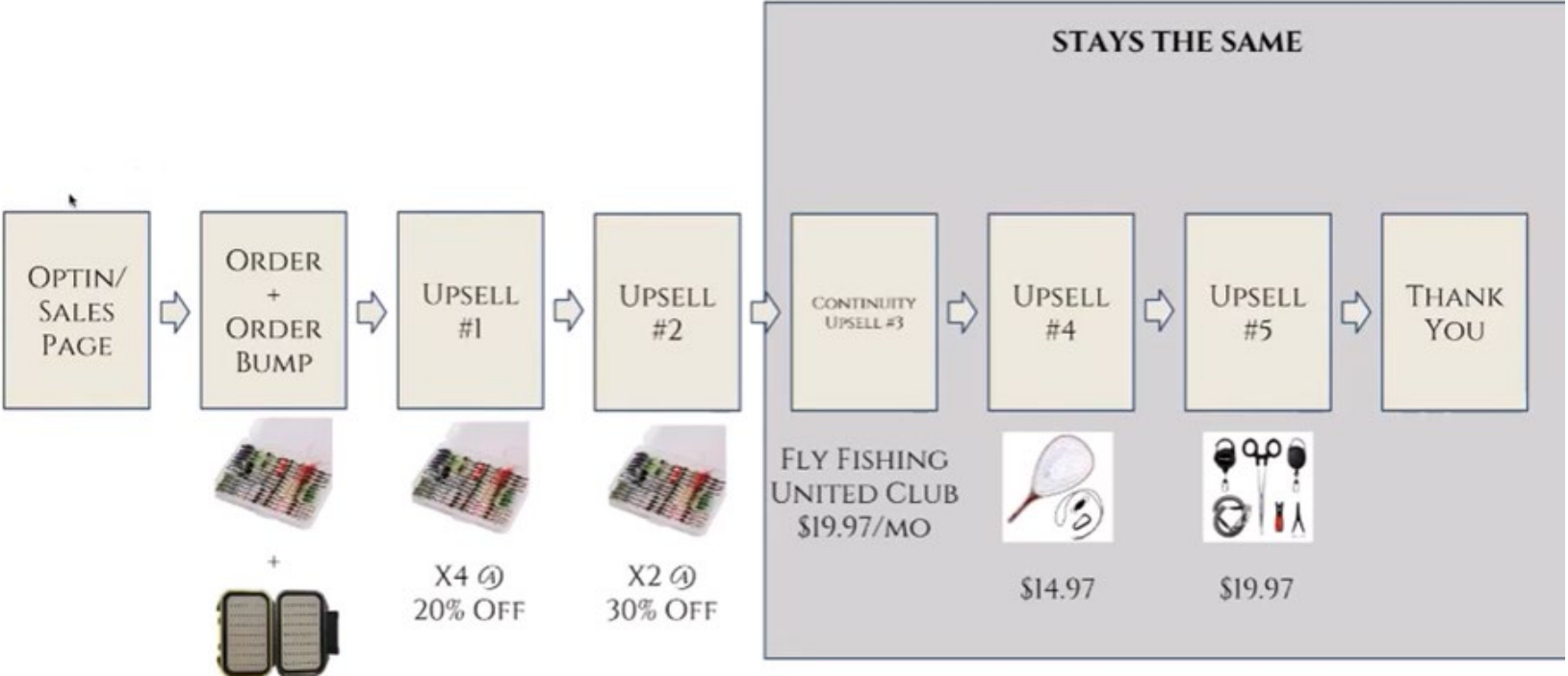
Ecommerce Transformed & Roadmap

THE ROADMAP TO 7-FIGURES

FUNNEL STRUCTURE:



Appendix C



Appendix D

Total Number of Site Visitors
Total Sold this Month
Gross Sales
Less Returns
Net Sales
Cost of Goods Sold [COGS]
Cost of Goods Sold
Gross Margin
Less Bad Debt
Less Direct Expense
Contribution to Fixed Expense, Promotion & Profit
Fixed Costs
Contribution to Promotion & Profit
Less Promotion Costs
Profit before Taxes

Appendix E

\$9.97 (REVENUE)

\$3.00 (PRODUCT COST)

\$2.00 (SHIPPING COST)

= \$4.97 (PROFIT)

WHAT ABOUT ACQUIRING THE CUSTOMER?

\$5.00 (PAID ADS)

\$4.97 - \$5.00 = -0.03c!

WE LOST MONEY!

Appendix F



FISHINGSIR Fly Fishing Flies Kit - 64/100/110/120pcs Handmade Fly Fishing Lures - Dry/Wet Flies,Streamer, Nymph, Emerger with Waterproof Fly Box

by FISHINGSIR

★★★★☆ 128 customer reviews | 20 answered questions

Best Seller in Fly Fishing Fly Flies

Price: ~~\$54.99~~ **\$49.99**

Coupon ☐ Save an extra 5% when you apply this coupon. [Details](#)

W. Best price **W.**

Pay ~~\$44.99~~ \$31.65 after using available Amazon Rewards Visa Card Points

Color: CLASSIC SERIES - 110PCS Flies Kit - Clear Fly Box



- CLASSIC series was created by our large selection of popular patterns, include Adams, Woolly Bugger, Caddis, Royal Wulf, Griffith's Gnat, San Juan Worm, Stimulator, used by anglers around the world.
- CLASSIC series contains 25+ classic patterns, which are popular by fly fishing anglers around the world. It is a mixture of dry flies & emergers, nymphs and streamers for any different situations.
- Most of patterns in this kit come with hook sizes #10, #12, #14 or #16, match the hatch at any time, they are exactly what you need to bring large trout, picky and high-pressureed fish to surface.
- Easily distinguish dry flies from nymphs with the double-sided, water-resistant and clear fly box, created by fly fishing professionals and 100% handmade. Perfect for anglers of all experience levels.
- Package Included: 60pcs Dry Flies / 10pcs Wet Flies / 34pcs Nymph and 0pcs Streamer.

New 123 from ~~\$54.99~~ **\$49.99**

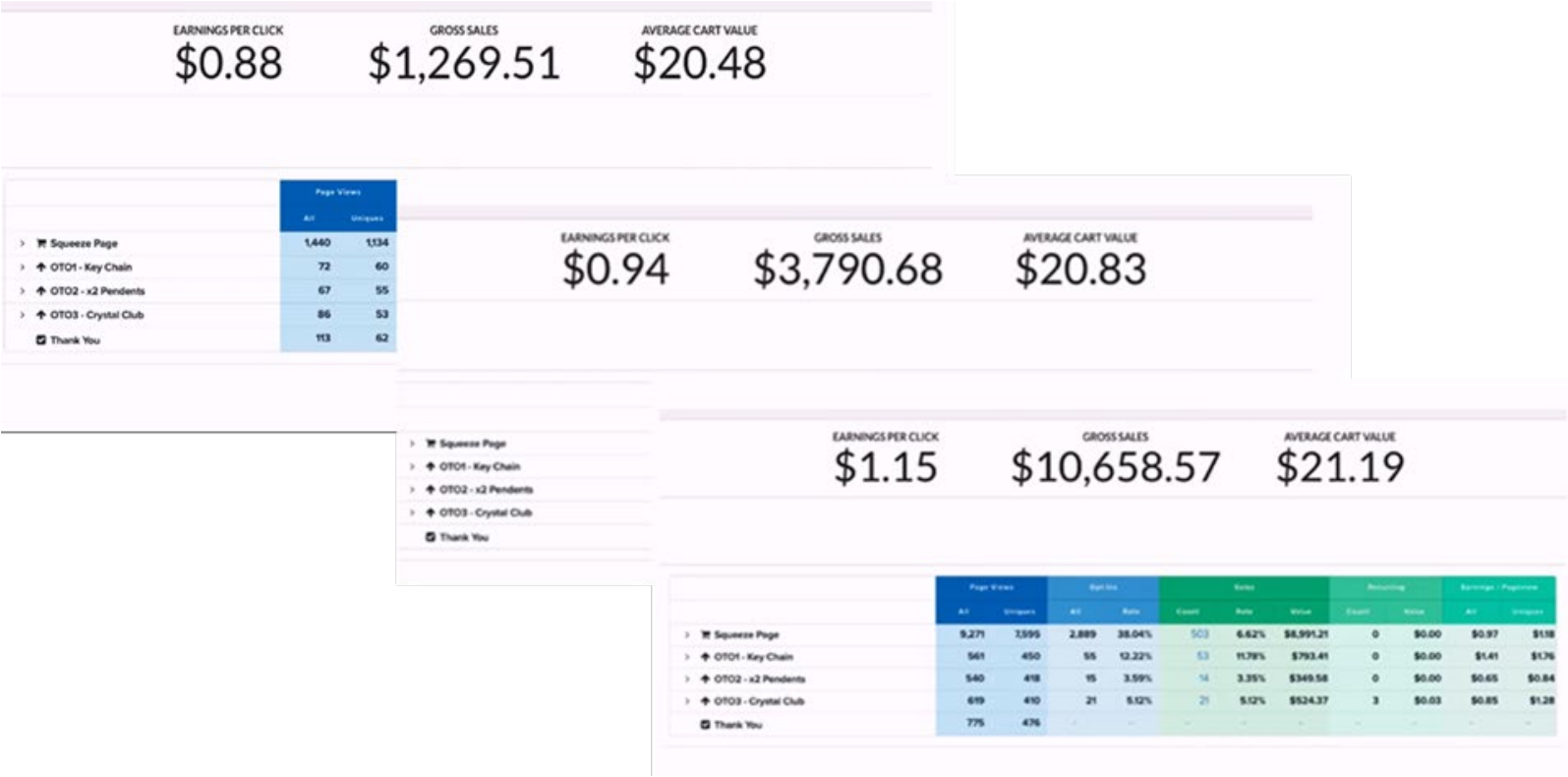
☐ Report incorrect product information.

Module 2 - 3 EEB Academy Picking Your IPO 5_23_24

PX9

FTC-000687

Appendix G

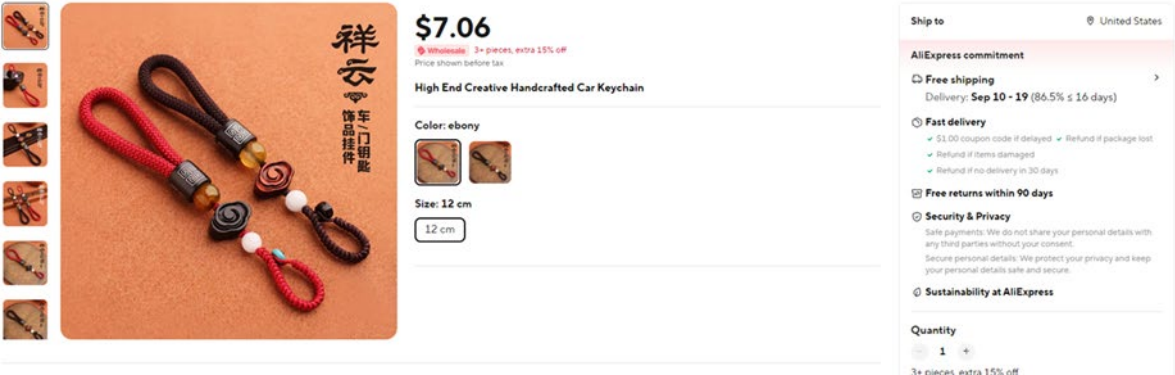


Appendix H

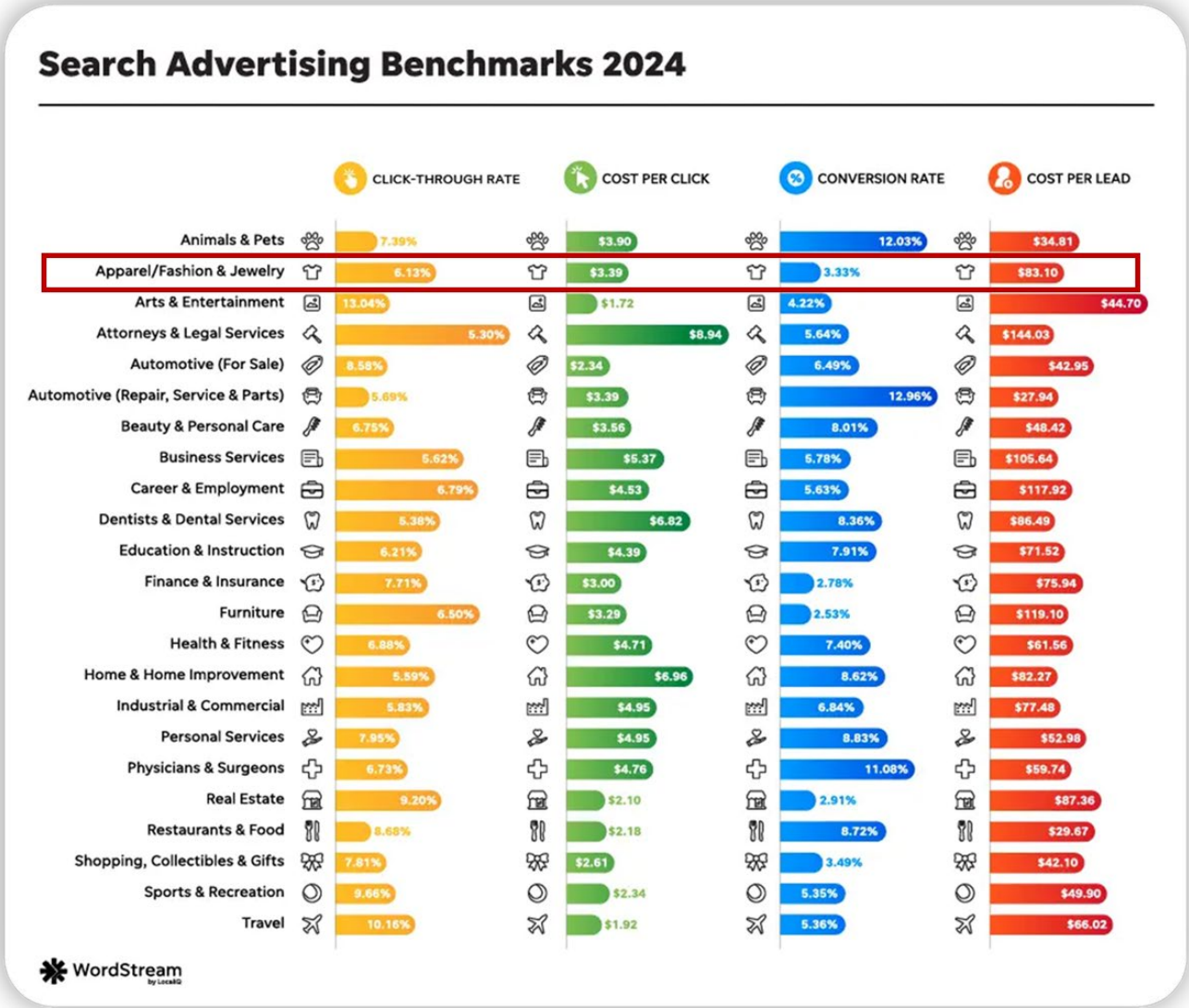
EARNINGS PER CLICK											
\$1.15											
GROSS SALES											
\$10,658.57											
AVERAGE CART VALUE											
\$21.19											
	Page Views		Opt-ins		Sales			Returning		Settings / Pageview	
	All	Unique	All	Rate	Count	Rate	Value	Count	Value	All	Unique
> 🛒 Squeeze Page	9,271	7,595	2,889	38.04%	503	6.62%	\$8,991.21	0	\$0.00	\$0.97	\$1.18
> ⬆️ OTO1 - Key Chain	561	450	55	12.22%	53	11.78%	\$793.41	0	\$0.00	\$1.41	\$1.76
> ⬆️ OTO2 - x2 Pendants	540	418	15	3.59%	14	3.35%	\$349.58	0	\$0.00	\$0.65	\$0.84
> ⬆️ OTO3 - Crystal Club	619	410	21	5.12%	21	5.12%	\$524.37	3	\$0.03	\$0.85	\$1.28
📧 Thank You	775	476	-	-	-	-	-	-	-	-	-

Performance	Number	Metrics	Total Revenue	Revenue Metrics	Total Revenue	Revenue Metrics
Page Views	9,271			\$1.15		\$1.15
Opt-ins	2,889	31.2%				
Sales	591	6.4%	\$10,658	\$18.03		\$18.03
Cart Value				\$21.19		\$21.19

Appendix I



Appendix J



Appendix K

Key Business Metrics	Activities	Monthly Performance	Assumptions
Total Page Views		9,271	
Opt-ins		2,889	
Total Sold this Month		591	Total Sales in EBB Example for Month 3
Gross Sales		\$12,523	Cart value of \$21.19
Less Returns			Assumes no returns
Net Sales		\$12,523	
Less Cost of Goods Sold [COGS]			
	Product Purchase from AliExpress	\$4,172	\$7.06 allows for a 3x Markup as EBB recommends
Less Cost of Goods Sold		\$4,172	EBB recommended purchase price
Gross Margin		\$8,351	
Less Bad Debt		\$0	No bad debt
Less Direct Expense		\$0	No direct expenses [freebies]
Contribution to Fixed Expense, Promotion & Profit		\$8,351	
Fixed Costs			
	StoreFunnels	\$54	Minimum Investment
	Dropton Fulfillment Services	\$33	Monthly
	BackPack ClickFunnels Add-on to manage influencers	\$297	Monthly
Contribution to Promotion & Profit		\$7,967	
Less Promotion Costs	PPC Advertising	\$9,794	Jewelry 2024 PPC Rate \$3.39 for Opt-ins
Profit before Taxes		-\$1,827	Loss of -15%

Appendix L



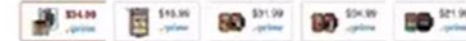
FISHINGSIR Fly Fishing Flies Kit - 64/100/110/120pcs Handmade Fly Fishing Lures - Dry/Wet Flies, Streamer, Nymph, Emerger with Waterproof Fly Box

by FISHINGSIR
★★★★☆ 1.2k customer reviews | 20 answered questions
[See Seller's Fly Fishing Flies](#)

Price: ~~\$54.99~~ **\$31.99**
☐ Save an extra 5% when you apply this coupon. [Details](#)
W. Best price **W.**

Pay ~~\$44.99~~ \$31.99 after using available Amazon Rewards Visa Card Points

Color: **CLASSIC SERIES - 110PCS Flies Kit - Clear Fly Box**

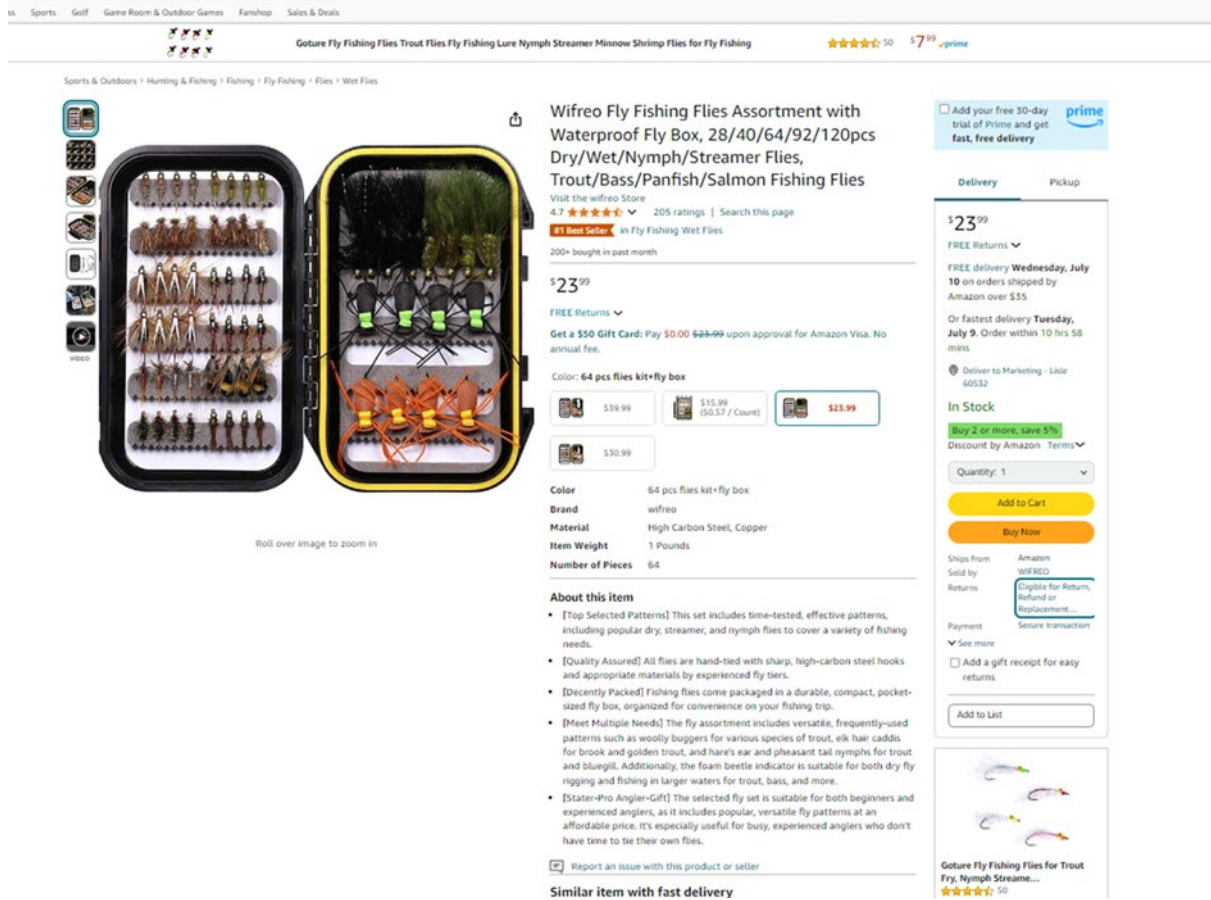


- CLASSIC series was created by our large selection of popular patterns, include Adams, Woolly Bugger, Caddis, Royal Wulff, Griffith's Gnat, San Juan Worm, Stimulator, used by anglers around the world.
- CLASSIC series contains 33+ classic patterns, which are popular by fly fishing anglers around the world. It is a mixture of dry flies & emergers, nymphs and streamers for any different situations.
- Most of patterns in this kit come with hook sizes #10, #12, #14 or #16, match the hatch at any time, they are exactly what you need to bring large trout, picker and high-pressure fish to surf.
- Easily distinguish dry flies from nymphs with the double-sided, water-resistant and clear fly box, created by fly-fishing professionals and 100% handmade. Perfect for anglers of all experience levels.
- Package Included: 60pcs Dry Flies / 10pcs Wet Flies / 20pcs Nymph and 10pcs Streamer.

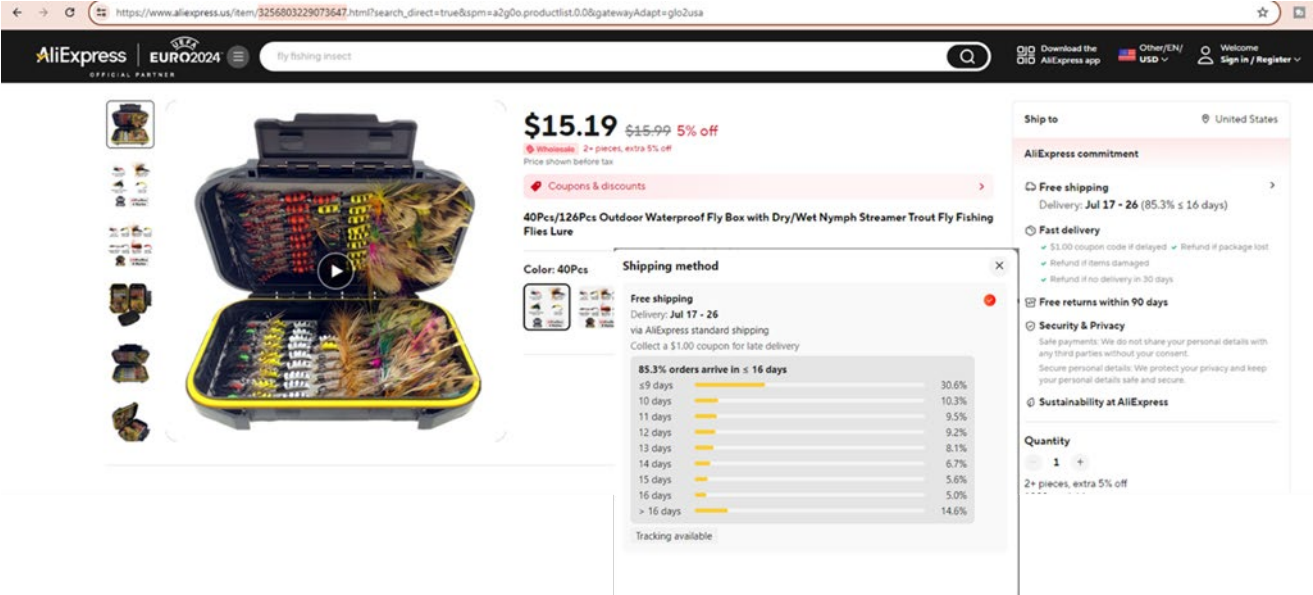
New 12 from \$54.99 **\$31.99**

[Report incorrect product information.](#)

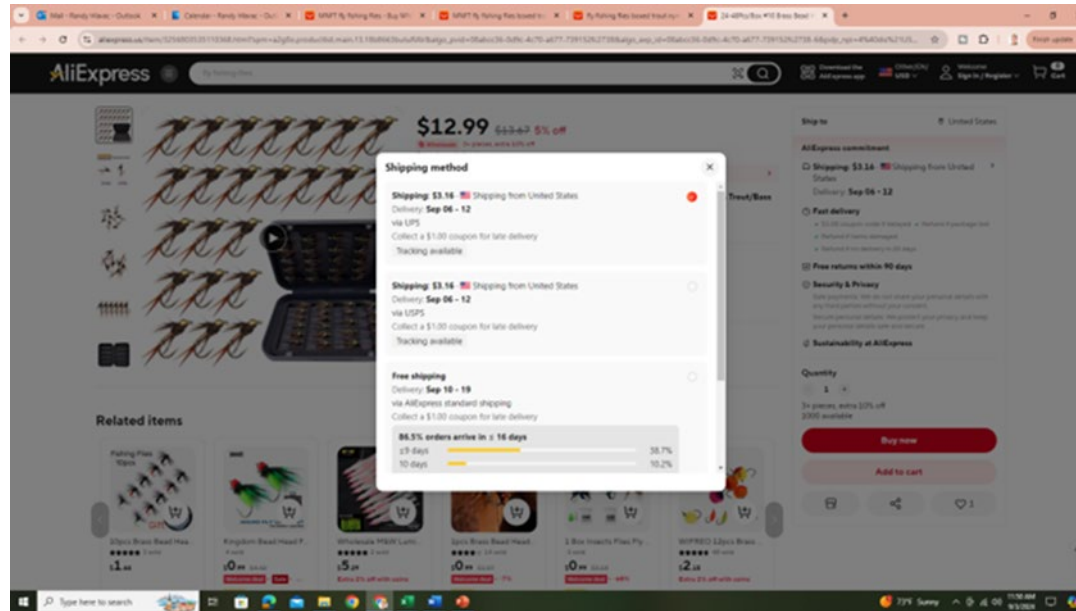
Appendix M



Appendix N



Appendix O



Appendix P

Ecommerce Empire Academy Overview + Awards!

COURSE STRUCTURE

MODULE 1: THE MINDSET SHIFT

MODULE 2: MARKETS & OFFERS

MODULE 3: FUNNELS & CONTINUITY

MODULE 4: EMAIL MARKETING

MODULE 5: INFLUENCERS & ORGANIC MARKETING

MODULE 6: FACEBOOK MARKETING

MODULE 7: SCALING & SALES CHANNELS



RANDY A. HLAVAC

Email: R-Hlavac@Northwestern.edu

EXPERIENCE

NORTHWESTERN UNIVERSITY

Evanston, IL

***Adjunct Professor – Medill School of Integrated Marketing Communications & School of Professional Studies
1995 to Present***

- In the Medill School of Integrated Marketing Communications [IMC] I am the instructor of graduate Social Commerce and undergraduate Digital, Social, and Mobile Marketing. These courses are designed around the newest technologies including the AI marketing systems, the new Google algorithm, CXM [Customer Experience Management] systems, and new social and digital analytics systems. ChatGPT and other AI systems are integrated into every session in these 10-week programs. Students also learn how to use AI Detectors and related systems to better learn how to use the social and AI ecosystems to create profitable marketing programs. Students also become certified in the Google Analytics program.
- Designer, developer, and lead instructor of the Coursera Social Media Marketing Specialization. This innovative program has graduated over 105,000 participants from 140 countries. It is one of the largest and most profitable online programs ever offered by Northwestern and Coursera.
- One of a team of instructors in the Content Strategy for Professionals Specialization on Coursera. This program has 22,970 participants and is available in 22 languages.
- I teach a professional graduate Digital Leadership intensive program designed to help IMC graduates working full-time jobs about the skills necessary to lead as a CMO or CEO. This course includes intensive instruction on how to use AI systems to accelerate your marketing programs and how to use advanced database systems to build holistic relationships with customers and prospects.
- Instruct entrepreneurial teams developing new companies in the McCormick School of Engineering Garage program. I teach how to use AI and marketing database systems to quantify, define, and gain insights into potential consumer and business markets.
- Instructor of Content Strategies and Digital Marketing in the School of Professional Studies [SPS] IDS program. This course works with real companies to build them a 52-week content strategy. It uses ChatGPT and the new Google algorithm to develop written, video and audio content and marketing communications to market them to a target audience.
- Instructor of MarTech at Medill. Marketing Technologies deals with AI, CXM [Customer Experience Management] and new technologies impacting digital marketers worldwide
- Author of numerous academic and trade articles on social marketing trends, social media, digital marketing, content curation and other topics.
- Speaker on Advanced AI Systems to students in the Medill Professional Graduate IMC programs
- Twice was the keynote speaker in the School of Professional Studies international conference
- Frequent speaker in other instructor classes at Medill, McCormick, and SPS. Teach how to use AI systems like ChatGPT, Industry and social analytics systems, and marketing databases to develop their marketing skills.
- Presenter at many IBM world conferences on E-Commerce, Digital, and Social Marketing. A frequent presenter at national trade organizations.

MARKETING SYNERGY, INC
CEO & President

Naperville, IL
1991 – Present

- Led a physical organization of up to 7 consultants. It is now a virtual organization with 5 contract consultants specializing in strategic market development, database analytics, marketing database development and maintenance, and market program execution. Marketing Synergy works with many B-to-B and B-to-C companies in the development and execution of database-driven marketing programs as well as develops and maintains their marketing databases and campaign management systems. Areas of expertise include Big Data

Analytics, Marketing Database Development and Social Media Marketing. Marketing Synergy works with clients in the Financial, Insurance and Retailing Industries.

- Today, Marketing Synergy is focused on helping not-for-profit companies build their marketing programs. We provide these services free of charge.
- Marketing Synergy is also developing a series of online marketing programs to be launched later this year. They will include a ChatGPT Marketing Masterclass and an AI-Driven Content Marketing program.
- Wrote the book "Social IMC – Social Strategies with Bottom-line ROI". Currently selling on Amazon and elsewhere. The book is a hands-on exploration of the social marketing strategies that build 1-to-1 relationships with a target market.

METROMAIL [NOW EXPERIAN]

Lombard, IL

Manager of Database Analytics

1988 to 1991

- Founder, manager and vision leader of the analytics group. Started group in 1988 and grew to 5 people and over \$1.5 million in analytical and supplemental list rental revenue in 3 years.
- Created the Metromail profiling, predictive modeling, and market cluster segmentation systems as well as several new lifestyle and demographic data elements used by Experian and competitors today.
- Analytics consultant to Time Warner, Conde Nast, National Liberty [AON] and other companies while working at Metromail.
- Speaker representing Metromail at DMA, NCDM, and other national conventions.

TRW TARGET MARKET SERVICES

Anaheim, CA

Manager of Computer R&D and Analytics

1986 – 1988

- Managed team of 5 doctoral level researchers who developed credit prescreen, prospect, and customer predictive models
- Managed team of 12 database and operational systems specialists who built the first Windows database marketing applications for TRW and worked on building the first Oracle database systems to house, manage and use TRW's credit data [now Equifax]

MUTUAL OF OMAHA

Omaha, NE

Assistant Vice President of Direct Marketing

1980 – 1986

- Managed team of 5 system and research analysts. Developed first geo-demographic and demographic predictive models for our first and third party businesses. Developed third party database systems to house relationship data from our top 50 clients. Managed the development of our 100 station telemarketing operations. Co-managed the development of Mutual's first marketing database system developed in DB2.

PROFESSIONAL ASSOCIATIONS AND SPEAKING APPEARANCES

- Member of the American Marketing Association
- Speaker on database analytics, sampling, testing, and measurement, database development and maintenance, and list development for the AMA, NCDM, AMA, and other associations

EDUCATION

1984 – University of Nebraska

MBA in Marketing and Management

1978 – University of Nebraska
Masters in Music Education
1974 – University of Nebraska
Bachelors in Education